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Ecuador's Tuna Fish Industry Update

Report Categories:

Agriculture in the Economy

Agriculture in the News

Fishery Products

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Report Highlights:

Ecuador's tuna fishery in 2015 is staring at lower prices. Prices are suffering due to oversupply, reportedly driven by overfishing, at a time of weakening demand for tuna and tuna products both in the United States and Europe. Ecuador with \$1.4 billion in calendar year (CY) 2014 (January-November) exports, according to the Inter-American Tropical Tuna Commission (IATTC) only trails Thailand and Spain as the world's third largest producer of tuna and tuna products. Exports to the United States of unprocessed fresh/frozen tuna alone reached \$118 million in CY 2014. Ecuador processes 500,000 metric tons (MT) of tuna annually (i.e., yellow fin, black skipjack, and bigeye tuna). Despite a drop in prices, but wishing to maintain their market share, Ecuador's fishing fleet and processors have not scaled back operations. The sector employs 25,000 people.

General Information:

Ecuador's tuna fishery in 2015 is staring at lower prices. Prices are suffering due to oversupply, reportedly driven by overfishing, at a time of weakening demand for tuna and tuna products both in the United States and Europe due to changing consumer preferences and concerns with dolphin bycatch. Ecuador with \$1.4 billion in calendar year (CY) 2014 (January-November) exports, according to the Inter-American Tropical Tuna Commission (IATTC) only trails Thailand and Spain as the world's third largest producer of tuna and tuna products. Exports to the United States of unprocessed fresh/frozen tuna alone reached \$118 million in CY 2014.

Landed tuna prices have declined sharply over the course of the past few years. Tuna prices have spiraled down from \$2,220/MT in 2013 to \$1,600/MT in 2014, and dropped as low as \$850/MT earlier in 2015. Prices have recovered somewhat from this low, reaching \$1,340/MT in July but are still off about 40 percent from 2013's landed prices.

Table 1: Ecuador's Global Exports of Tuna, \$ Millions, 2013-14

	CY 2013	CY 2014	% Change 2013-14
European Union	625	515	-17.6%
Venezuela	128	220	71.9%
United States	132	118	-10.6%
Colombia	60	64	6.7%
Chile	58	40	-31.0%
Argentina	58	45	-22.4%
Peru	41	17	-58.5%
Brazil	35	38	8.6%
Others	280	230	-17.9%

Source: El Comercio, industry sources, FAS Quito office research.

Sources within the IATTC indicate that Ecuador processes some 500,000 metric tons (MT) of tuna annually (i.e., yellow fin, black skipjack, and bigeye tuna). Half of this volume is landed by Ecuadorian flagged vessels (113). The balance enters the country under a special duty-free Customs provision for processing and subsequent re-export. Processing capacity in Manabí Province is reportedly about 28,000 MT per month or about 450,000 MT per annum. Roughly 60,000 MT of unprocessed, frozen tuna is currently warehoused in cold storage to help maintain prices; overall storage capacity is however limited to about 95,000 MT.

Seventy percent of Ecuador's processing operations are concentrated in the southern port city of Manta (Manabí Province). The balance is split between Guayaquil (Guayas Province) and Posorja (Santa Elena Province). Despite a drop in prices, but wishing to maintain their export market share, Ecuador's fishing fleet and processors have not scaled back operations. Sources report that some 25,000 people are directly employed by the sector.

Tuna, along with bananas and shrimp, is one of Ecuador's main non-petroleum exports. Since February 2015, Ecuador's tuna exports have benefitted from a three percent tax reduction (drawback) based on freight-on-board (FOB) declared values.

Ecuador on June 10, 2015, joined the [South Pacific Regional Fisheries Management Organization's \(SPRFMO\)](#). Deputy Foreign Minister Leonardo Arizaga submitted on May 11, 2015, Ecuador's instrument of accession to New Zealand's Ministry of Foreign Affairs. New Zealand is the depositary for the SPRFMO Convention, hosting the SPRFMO Secretariat in Wellington.

During the June 2015 Inter-American Tropical Tuna Commission meeting, Ecuador came out strongly in support of the need to harmonize sustainability initiatives with its counterpart the Western and Central Pacific Fisheries Commission (WCPFC). To support prices, Ecuador specifically backs harmonizing self-imposed fishing closures and quotas.